MEDICAID THIRD PARTY LIABILITY DETERMINATION AND BENEFIT RECOVERY SUBSYSTEM

STATE IMPLEMENTATION GUIDE

PREPARED BY

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Foreward

The State Implementation Guide has been prepared to provide State Administrators with information defining how to pursue the implementation of the Model MTPLD&BR Management Information subsystem within their State. This document was produced by the Health Care Financing Administration, Bureau of Program Operations, Office of Methods and Systems, Division of Systems Planning and Development, Systems Development Branch, Baltimore, Maryland. Other documents produced include a General Systems Design of the Model MTPLD&BR Management Information subsystem. It is suggested that persons not familiar with the General Systems Design review this document prior to their reading of the State Implementation Guide.

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The Medicaid Third Party Liability Determination and Benefit Recovery (MTPLD&BR), State Installation Guide was prepared by Mr. Robert G. Young and Mr. Ronnie B. Carter, Computer Systems Analysts, of the Systems Development Branch, Division of Systems Planning and Development, Office of Methods and Systems, Bureau of Program Operation, Health Care Financing Administration, Department of Health and Human Services.

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SECTION I

INTRODUCTION

I. INTRODUCTION

A. BACKGROUND

Experience indicates that many different interpretations exist in the collection and identification of third party data that is needed to plan, monitor, coordinate, and control the Medicaid third party liability determination and benefit recovery activities at the State and local levels of program management. The model MTPLD&BR was developed to meet these informational needs. The Model System was designed primarily to improve the capability of a State agency to administer the MTPLD&BR program within the State. To accomplish this objective, special emphasis has been placed on the areas of cost advoidance, benefit recovery, and/or a combination of the cost avoidance and benefit recovery, and the management activity reporting functions.

As a first step toward making the model MTPLD&BR Management Informational System a reality, a General Systems Design was developed. The General Systems Design of the model MTPLD&BR Management Information System provides a foundation upon which any given State can build an information system to satisfy the particular requirements of that State. Since there has been considerable variations in the implementation of the Third Party program by individual States, the General Systems Design stresses flexibility to meet States' needs, and has not been been tailored to fit any one particular State's organization, policy, or approach in the administration of the Medicaid third party liability program.

B. PURPOSE OF THE GUIDE

The purpose of this guide is to explain in general terms the steps that a State needs to take in order to translate the General Systems Design of the Model MTPLD&BR Management Information System into an operational system that serves individual State needs. The material contained in this State Implementation Guide is presented with the assumption that the reader is familiar with the General Systems Design of the Model MTPLD&BR Management Information System. It is particularly important that the reader have a thorough comprehension of the scope and intended usage of this design.

C. ORGANIZATION OF THE GUIDE

As far as possible, the activities that are necessary to support the implementation of the Model MTPLD&BR Management Information System are presented in chronological order. This order does not necessarily imply the relative importance attached to the activities, but rather presents the logical sequence of presentation.

The sections which comprise the State Implementation Guide are:

I	Introduction
II	Project Initiation
III	Requirement Analysis
IV	Detailed Design
V	System Development
VI	System Installation

D. PROJECT FUNDING

If the State MTPLD&BR Management Information System is developed as an adjunct to the Medicaid Management Information System (MMIS), the development activities may be eligible for funding with 90% Federal Financial Participation, and operational cost may be funded at the 75% level with Federal Financial Participation (FFP). MTPLD&BR Management Information System is eligible for this special funding arrangement because the MTPLD&BR is defined as a subsystem of the MMIS, and because the Management Information System provides for a more efficient, effective, and economical administration of the State plan.

States that have a certified MMIS (presently receiving 75% FFP for operations) may apply for 90% FFP for development of a State MTPLD&BR Management Information System. States already in the process of developing MMIS capabilities (APD approved for 90% funding) can modify their system plans to include the development of and MTPLD&BR Management Information System in conjunction with and MMIS with 90% FFP, or, later seek approval to develop a MTPLD&BR Management Information System as a modification to their MMIS original approach. Development of a State MTPLD&BR Management Information System may be funded through normal 50% FFP.

Details concerning the procedures for qualifying for 90% or 75% FFP in developing an improved information system can be found in the Department of Health and Human Services, State Medicaid Manual, Part 11, Section 11230.

In general, the regulation guide requires the submission of an Advanced Planning Document for approval by DHHS prior to development of an information system with 90% or 75% FFP. If development work is to be performed by someone other than the State Medicaid agency, competitive bidding is required and the Request for Proposal and the selection of a contractor must also be approved by DHHS. A detailed State implementation plan is required prior to the start of the systems development effort whether the work is to be performed by State personnel or by outside contract.

SECTION II

PROJECT INITIATION

II. PROJECT INITIATION

A. INITIAL INVESTIGATION

A State prior to determining their level of interest in the implementation of Third Party System, should first review the General System Design of the Model MTPLD&BR Management Information System. If the concepts appear to be useful to the State, a more in-depth analysis should be made concluding with a feasibility report. The purpose of the investigaton should be to analyze State requirements and determine the applicability of the General System Design concepts to the solution of State's problems. The analysis should establish the objectives and scope of a State's requirements and the feasibility of the system to identify the State informational needs. The proper front-end analysis can usually be accomplished with little effort and requires no long range committment. Should the analysis indicate that the Model MTPLD&BR Management Information System fulfills this need, then further investigation and analysis can be performed.

A State that wishes to apply for 90% FFP for the development of the Model MTPLD&BR Management Information system should prepare an Advanced Planning Document (APD) at this time and submit it to HCFA, HHS for approval. The APD must include:

1. A statement of systems objectives.
2. The scope and nature of activities to be undertaken and the methods to be used.
3. A proposed schedule for accomplishing the objectives.
4. A personnel resource statement indicating the availability of qualified and adequate staff including the identification of a project director.

If work is to be performed under outside contract, the State's Request for Proposal (RFP) is also sent to HHS for approval. The State's RFP must include:

1. A statement of the scope of the specific work to be performed under contract, including an expected period of performance.
2. A listing of the reference material available to the contractor.

3. A standard format and organization of the proposals including work to be performed and cost statements.

4. Explanation of criteria to be used in evaluating the proposals.

5. A description of the nature and extent of involvement by State agency personnel during the contract and the name and title of the project director.

6. A description of the supplies, clerical support, computer time, work space, etc., that will be made available to the contractor.

7. The requirement for a statement of the contractor's personnel resources planned to be assigned to the project.

8. The requirement for a schedule of proposed work defining project milestones.

Upon selection of a contractor, but before acceptance of a bid, the State must submit to HHS for approval, the proposed contract, the final contending proposals, and the report of the selection committee, with the criteria used for evaluation of the bids. After all of these documents have been reviewed and approved, the design and development of the MTPLD&BR Management Information System can begin utilizing 90% Federal funds.

B. MANAGEMENT COMMITMENT

It is extremely important to the success of the implementation effort that top management personnel understand the implementation process and are committed to make available the resources needed for implementation. The management commitment need not be a total commitment at the initiation of the project. The initial commitment needs only to cover the first few steps of the implementation process. As the implementation proceeds, more detailed data will be available concerning costs, benefits and time frames. At each major milestone in the development process, top management personnel should review results and approve or disapprove the continuation of the project. This step-by-step commitment and approval process will be discussed more fully in later sections of this guide.

Because of the many inconsistencies in the States approaches to Third Party activities it was decided to develop a Model MTPLD&BR Management Information System to give direction and managerial responsibility for all Third Party activity. Typical manager involvement might include the Director of the single State agency, the Director of the State Medicaid program, the Director of the State Medicaid Management Information System, and the Directors of other interested organizations; e.g., AFDC title IV Program, SSI, State Insurance Commissioner, etc. New legislation may have to be developed to support informational needs and remove conflicts between existing Federal and State laws that hinder third party liability determination cost avoidances and benefit recovery processes of the Medicaid program.

C. USER INVOLVEMENT

In addition to a commitment by top management, all users of the system should understand the need for the system and participate in the development process. One way to insure user involvement is through a Project Steering Committee which would contain members from all user ogranizations. This committee would review project reports produced at major milestones in the development process. The committee can insure that decisions made by the project team are acceptable to all user organizations. The committee may also be given the authority to modify policies, regulations, and procedures to more fully support the concepts and objectives of the State MTPLD&BR Management Information System.

D. PROJECT STAFFING

A project team will need to be established to accomplish the various implementation tasks. A typical project organization would include systems development specialists as well as user personnel. The project team must operate under a formal organizational structure so that everyone has a clear understanding of who is responsible for exactly what functions. A clearly defined structure is especially important when an outside contractor is participating in the implementation effort. A formal structure for the implementation effort using an outside contractor is shown in the Appendix as Exhibit 1. The project managers would normally work full time on the project but other members might spend part time or full time on the project depending upon their particular duties and assignments.

In order to provide necessary support to the formal project organization, it is imperative that the directors of the project team have access to top management in order

that necessary decisions are made in a timely manner. If a direct line of communication is not available to top management, then the authority to make such decisions must be delegated to an individual who is available on a day-to-day basis. Experience has shown that only top management or its specially designated representatives empowered with decision-making authority can provide assurance of quick enough action to permit a complex project (such as the development of a State MTPLD&BR Management Information System) to proceed at a reasonable pace.

E. PRELIMINARY PROJECT SCHEDULE

Before beginning any major implementation activities, a comprehensive project plan should be developed in as much detail as is possible. This preliminary plan will be modified and will be expanded in detail as the project progresses. The initial plan is necessary, however, so that all project team members will understand the direction of the entire project and will see how their individual contributions fit into the total effort.

The first step in project planning is the development of a project schedule. All activities to be performed during the implementation should be listed and the person responsible for each activity should be designated. Next, the relationships between the activities should be established. Some activities cannot commence until other activities are completed, while certain other activities can be performed concurrently. The relationships among the project activities can be shown most easily by a bar chart, a CPM network, or a PERT chart. A sample CPM network for the preliminary scheduling of the implementation of a State MTPLD&BR Management Information System is shown in the Appendix as Exhibit 2. Target dates and major reporting and approval milestones may or may not be shown on this preliminary project schedule but would certainly appear on later modifications to this schedule.

In conjunction with the preliminary project schedule, a preliminary resource allocation plan should be developed. The resource allocation plan should show the estimated manpower required for each phase of the implementation project, the cost of that manpower, other resources needed (machines, equipment, forms, etc.), and their estimated cost. Some of the estimates at this time will by necessity be "ballpark" estimates.

F. PROJECT CONTROL

After development of the preliminary project schedule, a formal project control mechanism should be established for the remainder of the project. This should include a periodic reporting of progress against the project schedule. Progress reporting on the MTPLD&BR Management Information System development effort is especially necessary because of the typical involvement on such a project of so many individuals and organizations. Routine progress review meetings with the Project Steering Committee and executive management serve to keep them aware of the status of the project and enable management to focus on any crucial problems. A monthly project status summary report is keyed to the implementation plan activities and forms the basis for periodic status reporting. This report focuses attention on the progress toward the attainment of various project milestones and on any problems encountered or anticipated in the future. A sample project status summary form is shown in the Appendix as Exhibit 3. Progress on individual project tasks can be reported to the project manager on a form such as the one shown in Exhibit 4.

The major function of project control is to insure that all aspects of the project are proceeding smoothly and at an acceptable pace. If any problems, slowdowns, new requirements, or other factors threaten to delay the project, it is the responsibility of the project manager to devise a solution or to force a decision to keep the project from being delayed. Exhibit 5 shows a sample form which could be used to assist in this project control function.

G. PROJECT TEAM ORIENTATION

Preparatory to formally initiating project activity, the project organization should be finalized and project reponsibilities defined for all personnel involved. An orientation for all project participants should be conducted to discuss the preliminary project schedule, to provide appropriate background information about the MTPLD&BR program and the Model MTPLD&BR Management Information System to all participants, to answer questions, and to resolve potential conflicts. Existing MTPLD&BR operations and policies should be explained to those team members not already familiar with the existing activities in the State.

SECTION III

REQUIREMENT ANALYSIS

III. REQUIREMENTS ANALYSIS

A. PURPOSE

The requirements analysis is a key activity in the implementation of a successful MTPLD&BR Management Information System. The requirements analysis examines the information needs of the State MTPLD&BR program and determines how the model MTPLD&BR Management Information System will be tailored to meet the State's specific needs. Products from this phase of the project include a general systems design for the State information system, recommendations for policy and procedural modifications, and a more detailed version of the project implementation plan.

B. DESIGN ENVIRONMENT

The first item in the requirements analysis process is an analysis of the existing third party liability program in the State. This analysis should include an examination of the program organizational structure (what individuals and organizations are included and what they do), a review of procedures and systems (whether automated or not), and an examination of forms, reports, and data items. Data volumes and frequencies should also be reviewed. Interactions between MTPLD&BR and other programs such as Aid to Families With Dependent Children (AFDC) and Supplement Security Income (SSI) should be examined closely, especially where automated systems exist.

Once it has been determined what is actually going on in the State Third Party Liability program, the focus turns to what should be going on. The purpose of implementing a State MTPLD&BR Management Information System is to improve the operation and management of the State third party liability program. The installation of the MTPLD&BR system normally will result in changes to existing policy, procedures, and operations. In tailoring the Model MTPLD&BR Management Information System to the State's program, the project team members will be more concerned with how an activity is to be performed when the new system is installed rather than how it is performed now.

Typical questions to be answered will likely include:

- What organizational entity is responsible for gathering the third party

information?

- What method of third party claims administration has the State agency selected—Cost avoidance, Benefit Survey, or a combination of both?
- What third party data elements are to be gathered? Have they been defined?
- Has the third party resource data base been defined? Single or multiple structure?
- How is the validity of the recipients third party resource accomplished? at initial intake? at eligibility redeterminations?
- Is recipient third party resource data collected on claim forms? How? Is the provider required to obtain third party resource information from the recipient? Proposed use of resource data to update the data base?
- What interface with the TITLE IV-D absent parent program is necessary? Will an interagency agreement have to be written? How will incentive payments be made and nonitored? Collections accounted for? Automated data exchange possible?
- What interface with the SSI Agency is required? Automated data exchange possible? Intra agency agreement required?
- Have prepayment edit criteria been deferred for cost avoidance? What are they?
- Have Trauma Related Diagnoses Codes most likely to have third party liability involvement been defined?
- Claims forms indicate that the service provided was a result of an illness, accident, or injury? Job related? School related? Other?
- Are claims citing provider collections from third party resources accounted for properly? Medicare program pay other resource?

- Are providers notified that other health payment resources exist for the recipient? How? Currency of information maintained?

- How are claims identified for potential benefit recovery? Automated file controls defined? Automated billing of third party resources viable? Agreements with third party resources in writing? Claims accumulation authorized?

- Cost of pursuit of claims compiled? Dollar limit for pursuit authorized?

- Third party collections based upon recovery actions matched? By whom? Follow-up actions on outstanding items identified?

- Reporting requirements defined? Federal, State, and unit operations?

- Legal barriers which prevent pursuit of other resources identified? Presented for resolution?

The number of different organizations and third party entities and individuals involved in the third party activity has a great impact on the design of the State MTPLD&BR Management Information System. The more entities involved, the more interactions there are and the more need exists for data sharing.

C. STATE GENERAL SYSTEMS DESIGN

The general systems design for the State MTPLD&BR Management Information is the major vehicle for documenting what the improved procedures and systems will be. This document should be similar in format to the MMIS general systems design and will define the option of third party claims administration to be adopted by the State. This includes defining procedures, systems components, and responsible parties determined to be appropriate for meeting that State's particular requirements. Output reports and input forms will be finalized in a non-technical form to support unique State information requirements. All data processing elements and data bases will be defined. Interfaces with processing systems for other programs will be specified in detail.

The use of on-line or remote batch terminals will be explained, if appropriate. All data entry and data communication methods will be specified. Data base handlers and special report generation software requirements will be specified, if required. Other computer hardware and software requirements will be itemized and data controls, data security, and data retention will be addressed.

D. PROGRAM POLICIES

Development of the general systems design of the State MTPLD&BR Management Information System will usually indicate the need for a change in State policies, procedures, and regulations. The review of existing program operations may reveal obsolete policies, inconsistencies, contradictions, and omissions. In any event, new policies and procedures compatible with MTPLD&BR Management Information System can now be developed. Organizational changes also may be desired in order to improve the mechanisms associated with Medicaid third party liability activities and paperwork flow. The Project Steering Committee can serve as a useful forum for discussing policy and organizational changes and may recommend changes or may actually be empowered to make policy and/or organizational changes.

E. IMPLEMENTATION PLANNING

After completion of the general systems design of the State MTPLD&BR Management Information System, the preliminary project plan and schedule should be updated. At this point much more information will be known about the scope and complexity of the system so that more accurate estimates can be made of time frames, personnel requirements, and costs. More detail can be added to the preliminary plan in the form of a more elaborate depiction of project activity.

Computer hardware and software requirements will be known at this time, but the selection of specific hardware and software components will not have been made. Planning activities will include an analysis of whether current State resources are able to meet these hardware and software requirements, and if not, the dates by which new hardware and software must be obtained in order to meet the implementation schedule of the system.

SECTION IV

DETAILED DESIGN

IV. DETAILED DESIGN

A. PURPOSE

The purpose of the detailed design is to translate the general systems design into a form that enables computer programmers to produce individual programs that will work together to perform all automated systems functions. Whereas the general system design is conceptual in nature and user oriented, the detail design is oriented toward technical computer processes and handling. The detailed design is normally composed of three parts, the systems specifications, the program specifications, and a detailed implementation plan.

B. SYSTEM SPECIFICATIONS

The system specifications describe how operations will be performed without descending to a really minute detail. Processing requirements normally consist of program linkage flowcharts which show the activities of individual computer programs (or run modules) and the linkage between individual programs. Other system specifications include narratives, reports, layouts of a technical nature (as opposed to conceptual layout in the general systems design), data base and data set layouts, input layouts, and data coding structures. The technical system specifications may also include a description of the computer operating systems and the programming language to be used as well as data base software and other supporting software. Programming standards should be defined; if any questions exist about the installation standards, they should be resolved. Specific equipment usage and requirements are to be finalized at this point. Data security requirements should be defined and data archives methodology adopted. Data controls are defined and backup and recovery procedures are documented. Data communication equipment and procedures between local counties, providers, and State offices are specified in detail.

C. PROGRAMMING SPECIFICATIONS

Each individual computer program (or run module) within the system should be individually documented. The result is a set of detailed specifications from which the computer programmer can proceed with little or no further outside reference. Each program specification should include a statement of purpose and functions of the program, narratives, and/or flowcharts of each component, output layouts, input layouts, and data

base layouts. Common processing routines are used by many programs and are usually defined in detail only once and are shared by many programs. Likewise, data base definitions are generated only once and are shared by many computer programs whether special data base software is used or not.

D. IMPLEMENTATION PLAN

At this point a new MTPLD&BR Management Information System should be detailed in final form so that a final revision to the implementation plan can be made. The final plan will include a detailed schedule for program development, a data acquisition plan, and a detailed test plan. The installation of the new system can now be shown in more detail and a pilot test or a parallel test operation with the existing system can be performed. The actual operation will be on a time-phase basis for installation and operation of system components, possibly on a county-by-county basis.

The completion of the detailed design phase of the system development effort represents a major review milestone. The new system has now been defined in such detail, that there should be no questions as to what the system should look like or how it functions. Likewise, the cost of the new system, the implementation time frame, and future system benefits should all be estimated fairly accurately. Since the major expenditures are yet to come, the decision to terminate the project at this point would only involve a fraction of the total implementation cost. However, assuming that the benefits still outweigh the costs, a decision to continue the project would be forthcoming; and the system development activities would then begin.

SECTION V

SYSTEMS DEVELOPMENT

V. SYSTEMS DEVELOPMENT

A. PURPOSE

The systems development activities transform functions and requirements into operational reality. During this phase of implementation effort, computer programs are developed, compiled, tested, and made operational. Manual procedure for operational use will be developed and made operational and documented for use by data processing personnel, MTPLD&BR operational personnel, and management personnel. This documentation will then be the sole source to train them to use the MTPLD&BR Management Information System.

B. COMPUTER PROGRAMMING

Generally the computer programming effort is divided into three roughly equal parts; program design, program coding, and program testing. Therefore, the computer programmer is building a product to be delivered to the user. The computer programmer will be responsible for development of individual program documentation to support his deliverable product to the user. Also, the computer programmer will be responsible for the quality and effectiveness of his product in seeing that it adheres to specifications contained in the detail design of the State MTPLD&BR Management Information System.

In addition to meeting detail design specification, the design of each program run unit should consider other programming objectives. The logic should be clear, precise, and straightforward. Programming maintenance and updating should be easy to perform. Excessive computer time, either for program testing or routine operations should not be required. The programmer may have to evaluate trade-off among competing objectives, for example, easy maintenance versus quick execution time. The coding of the program run unit is a translation of the detailed design specifications into computer programmable instructions. Program documentation should include the latest program listing, the job control language (JCL) list to execute the program, and a program operation run manual.

Program coding must be followed by thorough unit testing for each run unit and integrated systems testing of multiple run units. Traditional program testing involves unit testing prior to an integrated system or subsystem test. However, if top-down structured programming techniques have been employed, high-level routines will have been tested

and integrated before the lower-level routines. The testing of higher-level modules is facilitated by substituting stubs (or dummy programs) for each of the lower-level modules.

Testing methods should give a thorough trial to the system and each component of the system. The computer system must handle not only routine processing but also any exceptional conditions which can appear. One of the underlying philosophies of the testing process is to make the program or system fail. If the system can survive the worst possible conditions in a test situation then the operational system is not likely to fail. All test conditions should be made as realistic as possible. A formalized Test Evaluation Report of the type shown in Exhibit 6 should be used to communicate discrepancies identified and correction action taken.

C. DEVELOPMENT OF MANUAL PROCEDURES

Concurrent to computer program development, other team members can develop manual (non-automated) procedures to complement the automated procedures. With the installation of the State MTPLD&BR Management Information System, many clerical job functions may change. In general, one can anticipate many routine clerical and service functions being replaced by automation with the installation of new MTPLD&BR Management Information System.

In those States which decide to use an intake document (or turnaround document) as the main source of computerized data in their MTPLD&BR Management Information System, the man-machine interplay will be significant. For example, a turnaround document would be printed for those clients where insurance information was not present, so that a followup could be made. The followup worker will indicate on the turnaround document the disposition of the followup action. The disposition data will then be used to update the third party data base on the computer. The manual procedures will describe step-by-step the actions required by the followup worker including the documentation of various followup disposition data on the turnaround form.

Procedures also will need to be written to support the use of computer reports by State and local management and operational personnel. A report users guide should provide instruction on how to read each report, define organizational entity to receive the report, what data is highlighted, how data is used, how compiled, and how to use data in the report. Error correction procedures are another important aspect of the manual procedures

documentation as are data entry procedures and data control procedures.

The followup steps need to be taken in the development of manual procedures to support the new MTPLD&BR Management Information system:

1. Determine the operational functions necessary to support the data processing activities.
2. Identify program procedures, processing steps, paper flow, data requirements, and managerial requirements involved with each function (activity).
3. Develop a procedural flow for sequencing the various functions (or activities) taking into account the flow of data among various organizational entities, as shown in exhibit 7.
4. Define the responsibilities and task of each individual involved in the MTPLD&BR process.
5. Prepare individual job description and procedures for intake document.
6. Compile the manual Systems documentation into a book (or books) to be used for documentation, references, and training purposes.

USER TRAINING

In most cases, the majority of success in the new system can be attributed to the amount and kind of training which preceded the installation. The installation of the MTPLD&BR Management Information System is extremely critical in this regard (in most States) because of the fragmentation of collection of data, bill payment, reporting and management functions among many different States. The training task of management and operational personnel in the MTPLD&BR is of great importance due to magnitude of involvement. The personnel to be instructed includes clerical, program operational, data processing, social service, MTPLD&BR program management, and the executive management of all agencies with involvement in Third Party collections . The training effort should submit the appropriate knowledge about the MTPLD&BR Management Information System commensurate with the individual's level of responsibility.

Executive management needs to be briefed about the concepts, policies, system structures, projected benefits, and the operational relationships of the State MTPLD&BR Management Information System. The emphasis on training is to inform the individuals involved on how the outputs from the information system can measure the operational performance of the State MTPLD&BR program, and assist management in their control functions for program administration. The training of program management personnel will emphasize the overall structure of the State MTPLD&BR Management Information System, the anticipated benefits, the decision-making assistance provided, and the management and planning features that are available. This training should also include the scope and usage of all management reports which will be produced by the operational system. If the State is divided into regions, districts, counties, or some other type of subdivision, the regional level of management should also be included in the training of program management personnel.

First line supervisors are usually responsible for one functional aspect of the MTPLD&BR program (e.g., cost avoidance, benefit recovery). They need to understand the entire system but need additional training in the specific aspects of their functional area. Special emphasis should be given to the management and operational reports which measure the program's efficiency and to pinpoint operational problems within their area of responsibility.

Data processing operational personnel will need to be trained concerning computer job set-ups, schedules and priorities. Data entry personnel and terminal operators need instruction about data format, data field size, and data controls. Data control clerks need to know input procedures and report documents distribution procedures. Error correction clerks need training in the correction of various types of errors that will occur.

The training of MTPLD&BR program operational and clerical personnel is aimed at equipping these people with a detailed working knowledge of their job with regard to the MTPLD&BR Management Information System. Their training should include:

1. General concepts, features, and the overall processing flow with the States MTPLD&BR program.

2. Knowledge of the various documents and forms involved.

3. Knowing data specification which they will be entering into the computer system, including the application and determination of appropriate codes.

4. Recognizing data edits within the computer system which will result in identification of errors which will need correction.

5. Error correction procedures and data control functions.

6. Interpretation and response requirements for all system outputs in their functional area.

The program operational personnel who need this training include not only State and local employees of Government agencies, but also participating private providers of services, whether under contract or paid on a fee for service basis. It is critical that these private providers understand the objectives of the system and their part in its successful operation.

SECTION VI

SYSTEMS INSTALLATION

VI. SYSTEM INSTALLATION

A. DATA CONVERSION

Conversion of data to meet the requirements of the State MTPLD&BR Management Information System will be a large effort in most States where the recipient third party resource information is not already in an automated form. In those States where the recipient third party resource information already exists in an automated form, data will need to be converted by means of special conversion programs to the MTPLD&BR system format. Conversion programs should be written and tested at the same time as operational computer programs. In some cases the conversion program may be the same program as the operational program.

The data not already computerized will have to be coded and added to the MTPLD&BR data base. Special procedures will have to be written in order to include only the third party information which is valid and has a potential to exist. Verification of recipient third party resource information is a must in order to assure user confidence.

B. INSTALLATION AND MONITORING

Actual system installation can probably best be accomplished on a phase-in basis and may involve parallel operations with the existing system or a pilot operation in one or more geographical area of the State. Data conversion activities must be coordinated with the start-up of the system. The MTPLD&BR system must be integrated with the operation of the existing system, possibly the provision of current third party resource for use on Medicaid identification media and the updating of the third party indicator used in claims processing. Eventually all operations will be controlled by the new system process.

An essential task in the establishment of any new system is the post-installation system monitoring. This monitoring activity is necessary to identify and correctly respond to any operational problem encountered. The manual portions of the system should be monitored as well as the automated portions. The monitoring activity will adjust the system to the point where an efficient routine operation exists. Considerable effort will initially be consumed in monitoring the new MTPLD&BR Management Information System, however,

this effort should decrease rapidly as problems are solved and the users gain more experience and confidence in the system.

In reviewing systems operations, attention should be given to the validity and accuracy of the information generated by the system to support MTPLD&BR management and operational functions. Each organizational unit that receives and makes use of system outputs should be reviewed during the monitoring period. This review will determine if there are any discrepancies in the report data or any other problems with reports. Report users should be questioned to determine if they are able to make proper use of the information furnished.

C. SYSTEM MAINTENANCE

Even before the new information system is operational, requests for changes and modifications normally will be received by the project team. A moratorium on changes is usually imposed from the time programming begins for the new system until the system is operational. Otherwise the development effort is continually experiencing revised schedules, manpower requirements, etc.

Making minor changes to an operational system to meet requirements that occur in the normal course of events is the typical situation for any data system. Change requests are typically the result of a newly imposed requirement or a change in existing policy or regulation. A formal change control procedure is needed to handle each modification that becomes necessary. A sample change control sheet is shown in Exhibit 8 in the Appendix. The change procedures are essentially an abbreviation of the systems development activity listed in this guide. A requirement for change should be analyzed and a system solution developed. After approval of all parties involved, the necessary modifications are made to the computer programs and to the manual procedures affected. The change is made operational only after all testing and user training are complete.

D. EVALUATION OF SYSTEM PERFORMANCE

At some predetermined point after system installation (and from time to time during the life of the system) an evaluation of system performance should be conducted to determine

the success of the system in meeting the originally stated objectives and requirements of the information system. Since some of the reports are only produced annually and historical data is built up during the operation of the system, a minimum of one year of routine operation is necessary before any meaningful judgements can be made. The post-installation evaluation of system performance should include an examination of:

1. Operating characteristics—operating time, success in meeting schedules, error rates, etc.

2. Cost of operating and maintaining the system.

3. Success in meeting original design objectives, taking into account any subsequent changes in the user environment.

4. Compatibility of the system with other operational systems, including the ability to be integrated with new systems.

5. Degree to which the system takes advantage of available equipment or software capabilities.

6. Adequacy of controls and security measures.

The primary purpose of this review is to determine the effectivensss of MTPLD&BR personnel and project team members in realizing the objectives of the MTPLD&BR Management Information System. A secondary benefit comes from knowledge that the specified procedures are being followed and that useful results are being obtained in all areas where the information system is operating.

APPENDIX

PROJECT TEAM

ORGANIZATION

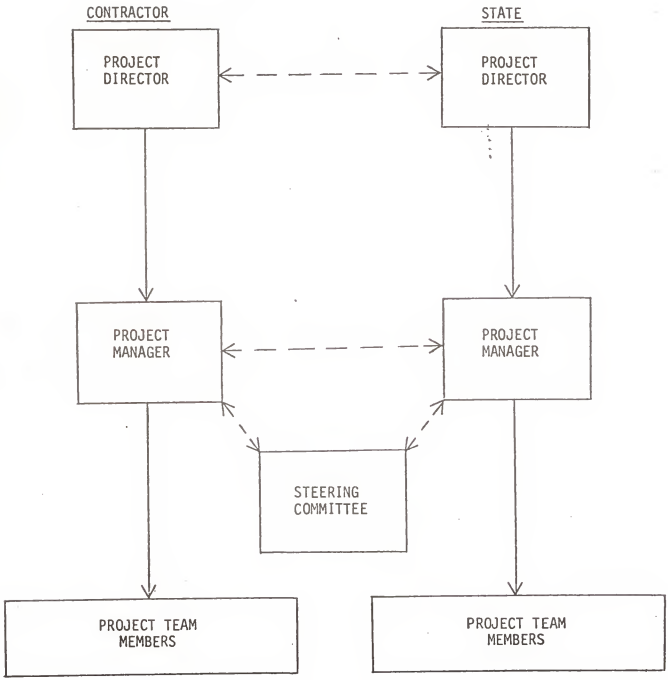


EXHIBIT 1

MEDICAID THIRD PARTY LIABILITY AND BENEFIT RECOVERY MANAGEMENT INFORMATION SYSTEM
REQUIREMENTS ANALYSIS

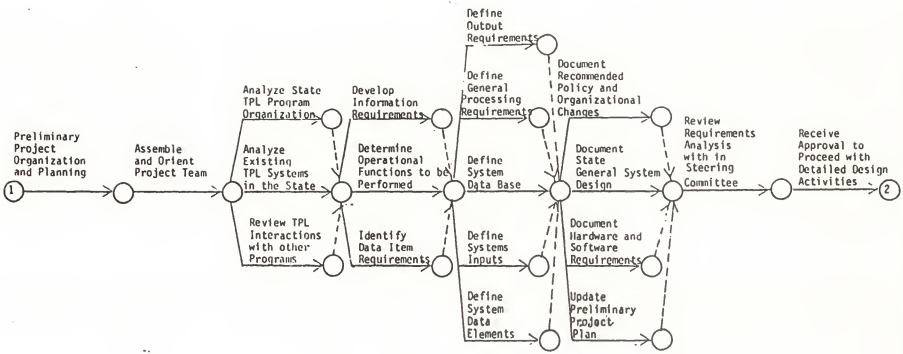

Preliminary Project Organization and Planning
Assemble and Orient Project Team
Analyze State TPL Program Organization
Analyze Existing TPL Systems in the State
Review TPL Interactions with other Programs
Develop Information Requirements
Determine Operational Functions to be Performed
Identify Data Item Requirements
Define Output Requirements
Define General Processing Requirements
Define System Data Base
Define Systems Inputs
Define System Data Elements
Document Recommended Policy and Organizational Changes
Document State General System Design
Document Hardware and Software Requirements
Update Preliminary Project Plan
Review Requirements Analysis with in Steering Committee
Receive Approval to Proceed with Detailed Design Activities
1
2

EXHIBIT VII-2
PAGE 1 of 4

MEDICAID THIRD PARTY LIABILITY DETERMINATION AND BENEFIT RECOVERY MANAGEMENT INFORMATION SYSTEM
DETAIL DESIGN

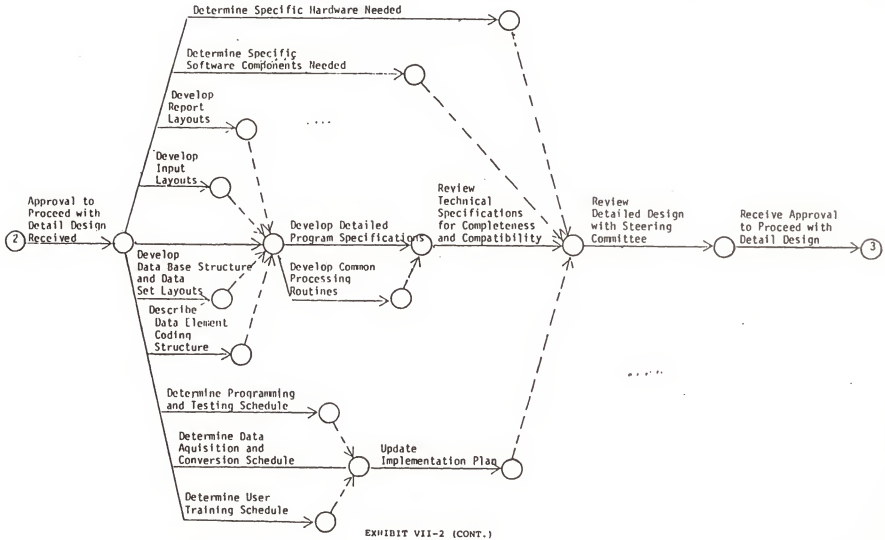
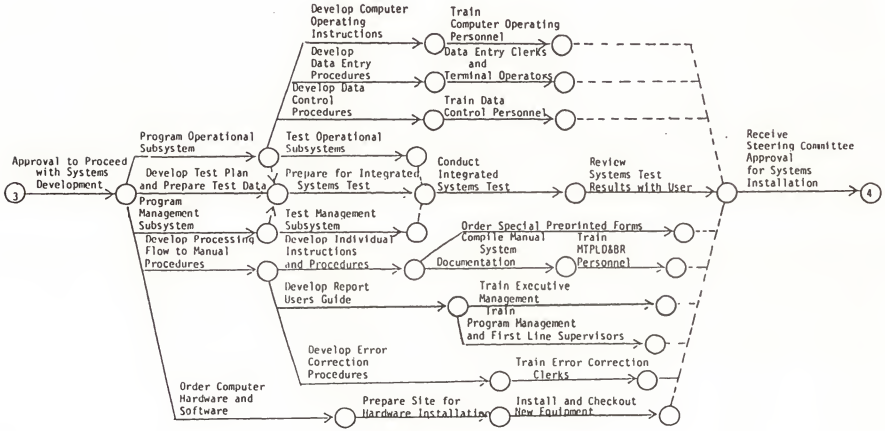

Determine Specific Hardware Needed
Determine Specific Software Components Needed
Develop Report Layouts
Develop Input Layouts
Approval to Proceed with Detail Design Received
2
Develop Data Base Structure and Data Set Layouts
Describe Data Element Coding Structure
Develop Detailed Program Specifications
Develop Common Processing Routines
Review Technical Specifications for Completeness and Compatibility
Review Detailed Design with Steering Committee
Receive Approval to Proceed with Detail Design
3
Determine Programming and Testing Schedule
Determine Data Aquisition and Conversion Schedule
Update Implementation Plan
Determine User Training Schedule

EXHIBIT VII-2 (CONT.)
PAGE 2 of 4

MEDICAID THIRD PARTY LIABILITY DETERMINATION AND BENEFIT RECOVERY MANAGEMENT INFORMATION SYSTEM
SYSTEMS DEVELOPMENT


Develop Computer Operating Instructions
Train Computer Operating Personnel
Develop Data Entry Procedures
Data Entry Clerks and Terminal Operators
Develop Data Control Procedures
Train Data Control Personnel
Program Operational Subsystem
Test Operational Subsystems
Approval to Proceed with Systems Development
Develop Test Plan and Prepare Test Data
Prepare for Integrated Systems Test
Conduct Integrated Systems Test
Review Systems Test Results with User
Receive Steering Committee Approval for Systems Installation
3
4
Program Management Subsystem
Test Management Subsystem
Develop Processing Flow to Manual Procedures
Develop Individual Instructions and Procedures
Order Special Preprinted Forms
Compile Manual System Documentation
Train MIPLDABR Personnel
Develop Report Users Guide
Train Executive Management
Train Program Management and First Line Supervisors
Develop Error Correction Procedures
Train Error Correction Clerks
Order Computer Hardware and Software
Prepare Site for Hardware Installation
Install and Checkout New Equipment

MEDICAID THIRD PARTY LIABILITY DETERMINATION AND BENEFIT RECOVERY MANAGEMENT INFORMATION SYSTEM
SYSTEMS INSTALLATION

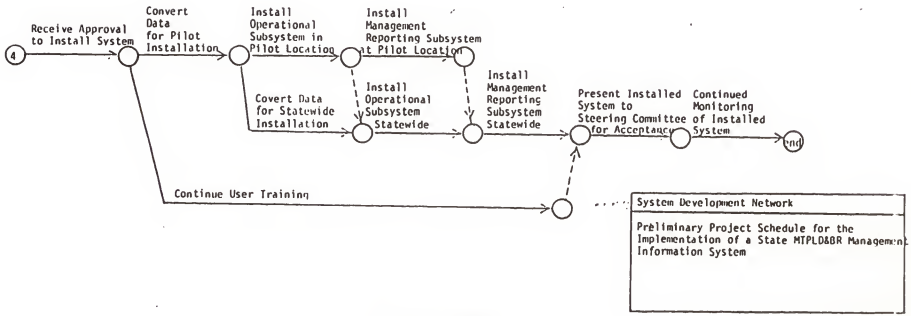

4
Receive Approval to Install System
Convert Data for Pilot Installation
Install Operational Subsystem in Pilot Location
Install Management Reporting Subsystem at Pilot Location
Covert Data for Statewide Installation
Install Operational Subsystem Statewide
Install Management Reporting Subsystem Statewide
Present Installed System to Steering Committee for Acceptance
Continued Monitoring of Installed System
end
Continue User Training
System Development Network
Preliminary Project Schedule for the Implementation of a State MTPLD&BR Management Information System

EXHIBIT VII-2 (CONT.)
PAGE 4 of 4

PROJECT STATUS SUMMARY

PROJECT NAME:
CONTRACT NO:
REPORTING PERIOD:

CURRENT PROJECT STATUS:

ON SCHEDULE:_____ DAYS AHEAD SCHEDULE:_____ DAYS BEHIND SCHEDULE:_____

PROJECT ACTIVITIES	PROJECTED DATES START	PROJECTED DATES COMPLETE	PERCENT COMPLETE
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			

WORK PERFORMED THIS PERIOD:

WORK TO BE PERFORMED NEXT PERIOD:

SIGNIFICANT PROBLEM AREAS:

SUBMITTED BY: DATE:

TASK PROGRESS REPORT

Submitted by	Report Date
Task Name	Task Number
Actual Start Date	Adjusted Estimated Comp Date

Weekly Activity

Problems

Action Taken

Actio Planned

Activities For Next Week

DECISION INFORMATION REQUEST

NO. _____

SUBJECT: _____

_____

DATE OF REQUEST _____ NEEDED BY _____

TO BE EFFECTIVE _____

DISCUSSION

RECOMMENDATION

APPROVED BY _____

APPROVED BY _____

EXHIBIT 5 VII-5

TEST EVALUATION REPORT

Date_____

Page____of____

To_____

From_____

Project Name _____

System Name _____

Output/Report Name _____

ITEM	DESCRIPTION OF DISCREPANCY

ITEM	EXPLANATION OF DISCREPANCY AND CORRECTIVE ACTION TAKEN

TASK NUMBER	PROJECT LEADER	DATE RECEIVED	PROGRAM NUMBER	ASSIGNED TO	DATE OF REPLY

EXHIBIT 6

THIRD PARTY DATA BASE

MANUAL PROCEDURE FLOW

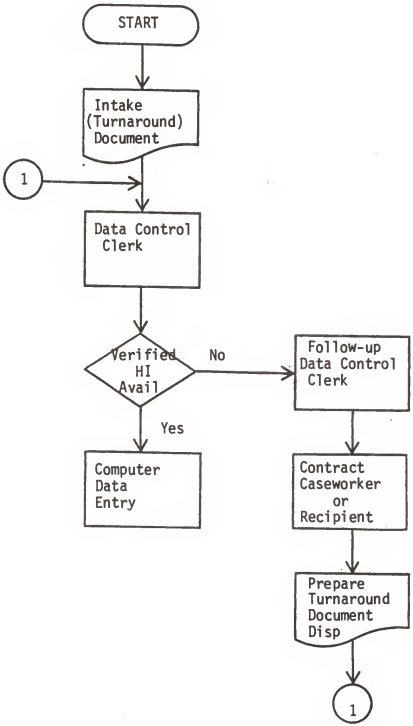


EXHIBIT 7

Date: _____

CHANGE CONTROL SHEET

Requestor: _____

Description or Nature of Change:

Reason for Change:

Recommendation for Change Implementation Procedure:

Decision Needed By: _____ To Be Effective By: _____

Area Impacted By Change: _____ Contact-Person In Area: _____

Area Acknowledgement & Date: _____

Nature of Impact:

Impact Area Comments:

Area Impacted By Change: _____ Contact-Person In Area: _____

Area Acknowledgement & Date: _____

Nature of Impact:

Impact Area Comments:

Area Impacted By Change: _____ Contact-Person In Area: _____

Area Acknowledgement & Date: _____

Nature of Impact:

Impact Area Comments:

Rejection or
Approval Date: _____ Project Manager: _____

Impacted Area Authorizations: _____

_____ _____

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